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# FOIA MARKER

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**Record Group/Collection:** George H.W. Bush Presidential Records  
**Collection/Office of Origin:** Speechwriting, White House Office of  
**Series:** Speech File Draft Files  
**Subseries:** Chron File, 1989-1993

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**OA/ID Number:** 13577  
**Folder ID Number:** 13577-003

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**Folder Title:**  
Institute for International Relations 7/30/91 [OA 6030] [2]

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Stack:	Row:	Section:	Shelf:	Position:
<b>G</b>	<b>26</b>	<b>17</b>	<b>2</b>	<b>6</b>

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THE SITUATION ROOM

PRECEDENCE: IMMEDIATE  
PRIORITY  
ROUTINE

RELEASER: *W. J. ...*

DTG: 29 1945 *Z*

MESSAGE NO. 31 CLASSIFICATION UNCLASS PAGES 7 6

FROM Nancy Benson (Name) 456-2930 (Phone Number) 122 OEQB. (Room No.)

MESSAGE DESCRIPTION \_\_\_\_\_

TO (Agency)	DELIVER TO:	DEPT/ROOM NO.	PHONE NUMBER
<u>Christina Martin</u>	<u>Moscow</u>	_____	_____
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REMARKS \_\_\_\_\_

*Please deliver A.S.A.P.*



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

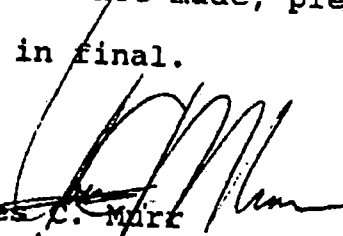
JUL 29 1991

*Inst for  
Int. Relations*

**NOTICE:**

Enclosed are comments from staff members of the Office of Management and Budget (OMB). Such comments do not necessarily represent the official position of the Director of OMB or of the Office of Management and Budget. If you wish to have the Director's personal comments, please let me know -- and contact me if you have any questions.

If our proposed substantive changes are not made, please let us know before the material is prepared in final.

  
James C. Murr  
Associate Director for  
Legislative Reference  
and Administration

the collapse of the Soviet economy -- nor can your economic ills be cured by an infusion of cash. // Only through real reform can the Soviet Union abolish the counter-productive command economy -- only through real reform can the Soviet Union unleash the ingenuity, the energy and the entrepreneurial instincts of its people. //

America stands ready to help -- ready to provide expertise and advice that can advance real reform. To this end, I will <sup>seek to</sup> ask <sup>you</sup> Congress for \$20 million dollars to form a Technical Assistance Fund, to encourage economic reform at the federal level and in the republics. // We will also seek the support of our partners in the G-7 for the creation of an Enterprise Fund -- a pool of capital to fuel the dreams of emerging Soviet entrepreneurs. //

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But our new partnership must go far beyond the halls of government in Washington and Moscow. It must bring together the businessman from the American Midwest and his partner in the Ukraine. It must bridge the thousands of miles between small town America and Soviet cities. It means expanded exchanges of scientists and scholars, artists and engineers. And from the great cities of Moscow and Petersburg, from the plains of Central Asia and the villages of Siberia to the port of Vladivostok and

THE WHITE HOUSE

WASHINGTON

91 JUL 29 12:31  
July 29, 1991

MEMORANDUM FOR TONY SNOW

FROM: STEPHEN G. RADEMAKER *SR*  
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Presidential Remarks: The Monument at Babi Yar

Pursuant to Phillip Brady's request, Counsel's Office has reviewed the above-referenced matter. We have no objection to the draft presidential remarks, subject to the comment indicated on page 3 of the attached text.

Attachment

cc: Phillip D. Brady

way into the ears and minds and hearts of townspeople. When the first round of shooting stopped, more than 33,000 bodies lay in the pit at Babi Yar. Many more committed suicide, rather than facing certain, humiliating slaughter. Within 18 months, nearly 100,000 innocents perished here.

At the same time, a few people managed to escape. Yelena Yefimovna Borodyansky-Knysh leaped into the pit with her young daughter, shielding her child with her body. In the dead silent night, she managed to work her way through the piled up bodies. She slipped past her would-be executioners as they argued about dividing up victims' booty. Naked, scared, mother and daughter wriggled through ravines, stumbled over roots, waded through a gamut of waving branches. Eventually they found freedom -- and lived to tell of Babi Yar.

While some in Kiev assisted the murders, others gave shelter to Jews, Gypsies, ~~party members~~ and other targets of the genocide. They gave shelter, at the risk of death. They gave food and clothing at the risk of death. They gave the gift of life at the dawning of what later would be called the holocaust.

Abraham Lincoln once said, "We cannot escape history." Mikhail Gorbachev more recently observed that we need truthful historical documents "not to settle political scores, or cause suffering, but to render due tribute to everything that was heroic in the past and to learn lessons from mistakes and miscalculations."

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THE WHITE HOUSE

WASHINGTON

91 JUL 29 P12:31

July 29, 1991

MEMORANDUM FOR TONY SNOW

FROM: STEPHEN G. RADEMAKER <sup>SR</sup>  
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Breakfast with Soviet Businessmen

Pursuant to Phillip Brady's request, Counsel's Office has reviewed the above-referenced matter and has no objection, subject to the comment indicated on page 2 of the attached text.

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Government does have a legitimate role -- enforcing contracts, protecting property rights, and providing the boundaries of acceptable business behavior. Government can establish rules for fair play -- a "level playing field" -- that build trust and stability. Once established in the Soviet Union, the rule of law will <sup>make your country more attractive to</sup> ~~further attract~~ foreign know-how and investment <sup>by providing the predictability necessary for businessmen to be</sup> ~~because smart businessmen will only go where it's~~ <sup>good for business.</sup> ~~good for business.~~

*Willing to take risks and expend effort.*

[The United States stands ready to help. We're going beyond loans and subsidies: we're offering our best expertise. At the London Economic Summit, we agreed to Soviet observership in the GATT trade negotiations to help establish normal relations with the trading nations of the world. And to help devise effective market reforms, we've proposed special status for the Soviet Union in the IMF and the World Bank.

When I return to Washington, I'll be submitting the U.S.-Soviet Trade Agreement to Congress for approval, which will generate trade between our countries; I'll also ask that certain restrictions be lifted so that American businesses can better compete for export sales here. We're also negotiating a bilateral treaty -- I'd like to see it completed by year's end -- to create a better investment climate between us, to expand our economic partnership as much as possible. ]

Freedom brings the opportunity to succeed, and the risk of failure. The government can act as referee, but it cannot guarantee success. Free markets are simply unpredictable. They

# WHITE HOUSE STAFFING MEMORANDUM

91 JUL 29 A 8:31

DATE: 07/26/91

ACTION/CONCURRENCE/COMMENT DUE BY: 9:00 a.m. Monday 7/29

SUBJECT: PRESIDENTIAL REMARKS: INSTITUTE FOR INTERNATIONAL RELATIONS  
(07/26 5:45 p.m. draft)

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE <i>n/c</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER <i>2705 n/c</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please provide any comments directly to Tony Snow no later than 9:00 a.m. on Monday, 07/29, with a copy to this office. Thanks.

RESPONSE:

PHILLIP D. BRADY  
Assistant to the President  
and Staff Secretary  
Ext. 2702

91 JUL 26 PM 5:43

McGroarty/Dooley  
July 26, 1991  
5:45 pm  
[MOSCOW]

PRESIDENTIAL REMARKS: INSTITUTE FOR INTERNATIONAL RELATIONS  
MOSCOW, U.S.S.R.  
JULY 30, 1991  
3:00 P.M.

[Introductory acknowledgements.]

It is a privilege to meet with you at this critical moment in the history of your nation -- at this time of great hope for all the world. //

For four long decades, our two nations stood locked in conflict, as the Cold War cast its shadow across an armed and uneasy peace. This Summit marks a new beginning: the prospect that we can put an end to a long era as adversaries, write a new chapter in the history of our two nations -- forge a new partnership and a sturdy peace. //

We have reason to hope. One by one, the cruel realities of the Cold War flicker and fade -- and a new world of opportunities calls us forward. In Europe -- for four long decades the fault-line of East-West conflict -- the nations of the East, like their neighbors in the West, find a common home in democracy. Far beyond the confines of this continent -- from Afghanistan to the horn of Africa, from Angola to Central America -- regional conflicts no longer threaten to become flashpoints for superpower confrontation. Worldwide, the risk of global war stands lower now than at any point in the post-war era. //

The challenge we face at this summit -- the challenge you face as present and future leaders of this great nation -- lies in this: together, our two nations must overcome a half-century of mistrust to seize this moment and build a lasting peace. //

Already, we've made progress. The easing of tensions between our nations has created new opportunities for **arms control**. Last fall, in Paris, we agreed on deep reductions in **conventional forces** stationed in Europe. Tomorrow, in the Kremlin, President Gorbachev and I will sign the historic **START Treaty** that will cut our strategic arsenals by a full one-third. //

Lower tensions have also made it possible for our two nations to **normalize economic relations**. / In May, the Supreme Soviet removed the key impediment to increased trade: Soviet restrictions on free emigration. The new Soviet emigration law stands as a major step forward -- **a victory for all who value human rights**. // As a consequence of this progress, I am pleased to announce that when I return to Washington, I will submit to Congress the **U.S.-Soviet Trade Agreement** we signed one year ago. In addition, I will urge the Congress to **remove restrictions that impede trade** -- and grant the Soviet Union **Most Favored Nation status**. //

Beyond two-way trade, the U.S. is working to open doors to Soviet entry into the global economy. // For more than forty years, the Soviet Union stood apart from the world market -- stood aside as free market forces sparked an **era of unprecedented**

**prosperity across the West.** / The results of this self-imposed isolation from the world economy proved disastrous. At this month's London Summit, President Gorbachev spoke of the Soviet Union's interest in becoming **fully integrated into the world economy.** //

The Soviet Union **should** become a full partner. That's why the U.S. supports observer status in the GATT -- and, when it has completed the necessary reforms, full membership. That's why I proposed last December that the USSR should enter a "special association" with the IMF and the World Bank -- and why I pushed that proposal with my summit partners in London. These measures will make available to the Soviet Union assistance and expertise that can ease the difficult transition to a market economy. //

But the crowning proof that we are overcoming the old Cold War animosities remains our cooperation in the Persian Gulf. In the depths of the Cold War era, Iraq's aggression against its tiny neighbor might well have brought our two nations -- and even the entire world -- to the brink of conflict. If Saddam Hussein thought he could exploit our differences to his own advantage -- he was dead wrong. At every key point in the crisis, the U.S. and USSR worked together to send a strong and steady signal to Saddam that his aggression would not stand. //

Today, our cooperation in the Gulf holds out hope that we can work together towards a just and lasting peace in the Middle East. [[MIDDLE EAST INITIATIVE UPDATE??]] //

In every aspect of our relations -- military, political, economic -- we see positive signs of a new partnership. / But for all the progress we've made, obstacles remain. Our ability to overcome them will be a key test of the strength of our new relationship. //

In many cases, we face conflicts and quarrels rooted in the world war fought fifty years ago, frozen in place by the long Cold War that followed: Disputes like the one that stands between the Soviets and Japan on the return of the Northern Territories. But surely, none looms larger today than the sad half-century of suffering in **the Baltic nations of Estonia, Latvia and Lithuania.**

For fifty years, the Baltic peoples refused to accept their fate or surrender their quest for freedom. For fifty years, their pleas fell on deaf ears. Today, hope in the Baltics rests with a new generation of Soviet leaders -- a generation that has fearlessly thrown open once-forbidden doors, and shined a bright light into some of the darkest corners of the Stalin era. Let this new generation be the one to free the Baltics. //

I call on both parties -- the central government and the Baltic leaders -- to resume negotiations in good faith. No one can ignore the complexities involved in negotiating a new relationship -- or the yearnings of a people to be free. Above all, we seek a clear and unqualified commitment to peaceful change. We must not see the positive progress we have made these

past two years threatened and thrown in doubt by further violence in the Baltics. //

A second obstacle lies close to home for the U.S. -- ninety miles off the Florida coast, in Cuba. In Europe, the Cold War may be over, but the news hasn't yet reached the Caribbean. Despite the fact that Soviet aid keeps Castro afloat, Cuba's leader has nothing but contempt for glasnost and perestroika. // Castro stands isolated and alone -- a lone dictator out of step with the democratic tide sweeping his hemisphere. I call on the Soviet leadership to reconsider whether such costly support for the Castro regime serves their aims and interests. //

Finally, I call on the Soviet leadership to make further cuts in Soviet military spending. In spite of the strains on the Soviet economy, military spending continues to consume 15 to 17% of Soviet GDP. While the Soviet consumer confronts long lines and empty shelves, the Soviet military-industrial complex continues to crank out 1300 tanks a year, 4000 armored vehicles, and a new ICBM every three days. // Military spending of this magnitude weighs down the Soviet economy -- and threatens international security. Now that the Cold War is over, the time has come to put the Soviet economy on a peace-time footing. //

But the key challenge -- the single most important factor in forging a new partnership between our nations -- remains the outcome of the experiment now reshaping Soviet society. The **future of U.S.-Soviet relations is tied to the future of Soviet reform**. //

No visitor to this country can fail to see the signs of change. Three times in three years as Vice President, I came to Moscow. That third visit, I met with a new leader, Mikhail Gorbachev -- the man who put these monumental changes in motion.

//

Consider the Soviet Union we see today. Gone are the days when a small cadre hidden behind the high Kremlin walls worked the levers of power. Gone is the rubber-stamp legislature -- the one-party monopoly, enforcing one point of view. //

In its place we see unmistakable signs of the new Soviet Union. Dissidents who once languished in internal exile now serve as Deputies in the People's Congress. Samizdat has given way to streetcorner critics. / **A new Soviet Revolution has begun:** a revolution marked by the emergence of **many voices** -- in government and outside, / in the proliferation of political parties, / **here in Moscow**, and across the vast reaches of this great land, **in every Republic.**

The forces of **reaction and resistance** still retain great power. But each day brings **new alliances** -- a **new manifesto** for change -- a **new call to action**. Some ask: amid this shifting scene, what is our policy toward all these groups, who and what do we support? My answer is clear and simple: **America stands with the forces of freedom and reform** -- wherever they are found.

My country stands ready to assist in this new Soviet revolution. In the economic sphere, the **transformation must come from within**. A shortage of foreign capital is not what caused

the collapse of the Soviet economy -- nor can your economic ills be cured by an infusion of cash. // Only through real reform can the Soviet Union abolish the counter-productive command economy -- only through real reform can the Soviet Union unleash the ingenuity, the energy and the entrepreneurial instincts of its people. //

America stands ready to help -- ready to provide expertise and advice that can advance real reform. To this end, I will ask Congress for \$20 million dollars to form a Technical Assistance Fund, to encourage economic reform at the federal level and in the republics. // We will also seek the support of our partners in the G-7 for the creation of an Enterprise Fund -- a pool of capital to fuel the dreams of emerging Soviet entrepreneurs. //

As market reform moves forward, our assistance can take new forms. ] Together with our friends in the European Community, the U.S. will explore the possibilities of creating a Stabilization Fund to ease the transition from a system based on command and control to one based on supply and demand. *9/11*

But our new partnership must go far beyond the halls of government in Washington and Moscow. *→* It must bring together the businessman from the American Midwest and his partner in the Ukraine. It must bridge the thousands of miles between small town America and Soviet cities. It means expanded exchanges of scientists and scholars, artists and engineers. And from the great cities of Moscow and Petersburg, from the plains of Central Asia and the villages of Siberia to the port of Vladivostok and

*Nonsense*

all points in between -- it means students coming to study in American schools and live with American families. It means thousands more American students coming to the Soviet Union, to explore your past and experience first-hand the future you are working to create. //

In that same spirit, I am pleased to announce today that in [month], we will send a Peace Corps mission to the USSR -- volunteers specializing in agriculture and environment -- to live and work in this country, to contribute to the transformation taking place here. //

[[CONCL>>>>> Let Moscow mark a new beginning for our two nations....]]

Once again, thank you for your warm welcome -- and may God bless the people of the Soviet Union.

# # #

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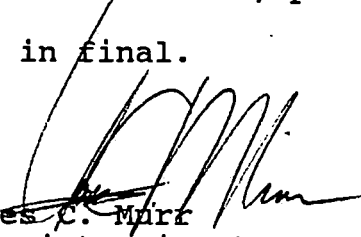
EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

**JUL 29 1991**

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RESPONSE: *See comments*

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Assistant to the President  
and Staff Secretary  
Ext. 2702

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McGroarty/Dooley  
July 26, 1991  
5:45 pm  
[MOSCOW]

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The challenge we face at this summit -- the challenge you face as present and future leaders of this great nation -- lies in this: together, our two nations must overcome a half-century of mistrust to seize this moment and build a lasting peace. //

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But the key challenge -- the single most important factor in forging a new partnership between our nations -- remains the outcome of the experiment now reshaping Soviet society. The **future of U.S.-Soviet relations is tied to the future of Soviet reform**. //

No visitor to this country can fail to see the signs of change. Three times in three years as Vice President, I came to Moscow. That third visit, I met with a new leader, Mikhail Gorbachev -- the man who put these monumental changes in motion.

//

Consider the Soviet Union we see today. Gone are the days when a small cadre hidden behind the high Kremlin walls worked the levers of power. Gone is the rubber-stamp legislature -- the one-party monopoly, enforcing one point of view. //

In its place we see unmistakable signs of the new Soviet Union. Dissidents who once languished in internal exile now serve as Deputies in the People's Congress. Samizdat has given way to streetcorner critics. / **A new Soviet Revolution has begun:** a revolution marked by the emergence of **many voices** -- in government and outside, / in the proliferation of political parties, / **here in Moscow**, and across the vast reaches of this great land, **in every Republic.**

The forces of **reaction and resistance** still retain great power. But each day brings **new alliances** -- a **new manifesto** for change -- a **new call to action**. Some ask: amid this shifting scene, what is our policy toward all these groups, who and what do we support? My answer is clear and simple: **America stands with the forces of freedom and reform** -- wherever they are found.

My country stands ready to assist in this new Soviet revolution. In the economic sphere, the **transformation must come from within**. A shortage of foreign capital is not what caused

all points in between -- it means students coming to study in American schools and live with American families. It means thousands more American students coming to the Soviet Union, to explore your past and experience first-hand the future you are working to create. //

In that same spirit, I am pleased to announce today that in [month], we will send a Peace Corps mission to the USSR -- volunteers specializing in agriculture and environment -- to live and work in this country, to contribute to the transformation taking place here. //

[[CONCL>>>> Let Moscow mark a new beginning for our two nations....]]

Once again, thank you for your warm welcome -- and may God bless the people of the Soviet Union.

# # #

THE WHITE HOUSE  
WASHINGTON

July 28, 1991

MEMORANDUM FOR THE PRESIDENT

THROUGH: DAVID DEMAREST  
TONY SNOW *TS*

FROM: DAN MCGROARTY *DMG*

SUBJECT: INSTITUTE OF INTERNATIONAL RELATIONS

I. SUMMARY

On Tuesday, July 30, you will address an audience of about 500 people at the Institute of International Relations in Moscow. The audience will include a broad mixture of people: students, businessmen, diplomats, members of the government, intellectuals, etc.

The speech is 15 minutes long, and will be teleprompted.

II. DISCUSSION

The remarks laud the Soviet Union -- and President Gorbachev in particular -- for the monumental changes they have wrought in the past years. The remarks also emphasize the progress made in the relationship between the Soviet Union and the United States, and the many challenges that remain.

# # #

McGroarty/Dooley  
July 28, 1991  
12:00 noon  
[MOSCOW]

PRESIDENTIAL REMARKS: INSTITUTE OF INTERNATIONAL RELATIONS  
MOSCOW, U.S.S.R.  
JULY 30, 1991  
3:00 P.M.

[Introductory acknowledgements.] It is a privilege to meet with you at this critical moment in the history of your nation - - at this time of great hope for all the world. //

For four long decades, our two nations stood locked in conflict, as the Cold War cast its shadow across an armed and uneasy peace. This Summit marks a new beginning: the prospect that we can put an end to a long era as adversaries -- write a new chapter in the history of our two nations -- forge a new partnership and a sturdy peace. //

We have reason to hope. One by one, the cruel realities of the Cold War flicker and fade -- and a new world of opportunities calls us forward. In Europe -- for four long decades the fault-line of East-West conflict -- the nations of Central Europe, like their neighbors in the West, find a common home in democracy. Far beyond the confines of this continent -- from Afghanistan to the horn of Africa, from Angola to Central America -- regional conflicts no longer threaten to become flashpoints for superpower confrontation. Worldwide, the risk of global war stands lower now than at any point in the post-war era. //

The challenge we face at this summit -- the challenge you face as present and future leaders of this great nation -- lies

in this: together, our two nations must overcome a half-century of mistrust to seize this moment and build a lasting peace. //

During the past two years, President Gorbachev and I have made progress in building this new relationship. Together, we have created new opportunities for arms control: Last fall, in Paris, we agreed on landmark reductions in conventional forces stationed in Europe. Tomorrow, in the Kremlin, President Gorbachev and I will sign the historic **START Treaty** that will reduce the most dangerous and destabilizing nuclear forces by a **full one-third**.

Lower tensions have also made it possible for our two nations to **normalize economic relations**. President Gorbachev and I made this a priority at the **Malta Summit**, and I am pleased to report today that this process of normalization is **now nearly complete**. In May, the Supreme Soviet removed the key impediment to increased trade: Soviet restrictions on free emigration. The new Soviet emigration law stands as a major step forward -- a **victory for all who value human rights**. //

As a consequence of this progress, when I return to Washington, I will submit to Congress the **U.S.-Soviet Trade Agreement** we signed one year ago. We will accelerate our effort to conclude a **Tax and Bilateral Investment Agreement**. I will also urge the Congress to **remove restrictions that limit credits and impede trade** -- and to grant the Soviet Union **Most Favored Nation status**. //

Beyond two-way trade, the U.S. is working to open doors to Soviet entry into the global economy. // For more than forty years, the Soviet Union stood apart from the world market -- stood aside as free market forces sparked an era of unprecedented prosperity across the West. / The results of this self-imposed isolation from the world economy proved disastrous. At this month's London Summit, President Gorbachev spoke from the heart of the Soviet Union's interest in becoming fully integrated into the world economy. //

The Soviet Union should become a full participant in the global economy. That's why the U.S. supports Soviet observer status in the GATT -- and, when the USSR has completed the necessary reforms, full membership. That's why I proposed last December that the USSR should enter a "special association" with the IMF and the World Bank -- and why I pushed that proposal with my summit partners in London. These measures will make available to the Soviet Union assistance and expertise that can ease the difficult transition to a market economy -- and improve the standard of living for the Soviet people. //

But the crowning proof that we are overcoming the old Cold War animosities remains our cooperation in the Persian Gulf. In the depths of the Cold War era, Iraq's aggression against its tiny neighbor might well have brought our two nations -- and even the entire world -- to the brink of conflict. If Saddam Hussein thought he could exploit our differences to his own advantage -- he was dead wrong. At every key point in the crisis, the U.S.

and USSR worked together to send a strong and steady signal to Saddam that his aggression would not stand. //

Today, our cooperation in the Gulf holds out hope that we can work together towards a just and lasting peace in regions of the world now riven by conflict -- in the Middle East, Cambodia and Afghanistan -- just as we have worked together to bring peace to Namibia, Angola and Nicaragua. //

In every aspect of our relations -- military, political, economic -- we see positive signs of a new partnership. / But for all the progress we've made, obstacles remain. Our ability to overcome them will be a key test of the strength of our new relationship. //

In many cases, we face conflicts and quarrels rooted in the world war fought fifty years ago, frozen in place by the long Cold War that followed: Disputes like Japan's just claim for the return of the Northern Territories. But surely, none looms larger today than the sad half-century of suffering in the Baltic nations of Estonia, Latvia and Lithuania.

For fifty years, the Baltic peoples refused to accept their fate or surrender their quest for freedom. For fifty years, their pleas fell on deaf ears. Today, a new generation of Baltic leaders -- democratically elected, and reflecting the will of the Baltic peoples -- asks a new generation of Soviet leaders to reject and repudiate one of the darkest legacies of the Stalin era. Surely, men and women of reason and good will can find a way to extend freedom to the Baltic peoples. //

Today, I call on the Soviet government to resume real negotiations in good faith with the Baltic governments. No one can ignore the complexities involved in negotiating a new relationship -- or the yearnings of a people to be free. Above all, we seek a clear and unqualified commitment to peaceful change. We must not see the positive progress we have made these past two years threatened and thrown in doubt by further violence against the Baltic peoples. //

A second obstacle lies close to home for the U.S. -- ninety miles off the Florida coast, in Cuba. We pose no threat to Cuba. Yet, the USSR continues to funnel millions of dollars in military aid to Cuba -- and in return, Castro heaps contempt on glasnost and perestroika. I call on the Soviet leadership to reconsider whether such costly support for Castro's regime serves their aims and interests. //

Finally, I call on the Soviet leadership to make further cuts in Soviet military spending. In this new era of cooperation -- in this moment of extreme economic crisis -- military spending continues to consume one in every five rubles of the Soviet Union's national wealth. [[While the Soviet consumer confronts long lines and empty shelves, the Soviet military-industrial complex continues to crank out 1300 tanks a year, 4000 armored vehicles -- and a new ICBM every three days.]] // The time has come to put the Soviet economy on a peace-time footing. We stand ready to help you convert your military-industrial might to

peaceful purposes, but you must take the initiative by slashing defense expenditures. //

But the key challenge -- the single most important factor in forging a new partnership between our nations -- remains the outcome of the experiment now reshaping Soviet society. The future of U.S.-Soviet relations is tied to the future of Soviet reform. //

No visitor to this country can fail to see the signs of change. Three times in three years as Vice President, I came to Moscow. That third visit, I met with a new leader, Mikhail Gorbachev -- the man who put these monumental changes in motion.

Consider the Soviet Union we see today. Gone are the days when a small cadre hidden behind the high Kremlin walls worked the levers of power. Gone is the rubber-stamp legislature -- the one-party monopoly, enforcing one point of view. //

In its place we see unmistakable signs of the new Soviet Union. Dissidents who once languished in internal exile now serve as Deputies in the People's Congress. Samizdat has given way to streetcorner critics. / **A new Soviet Revolution has begun:** a revolution marked by the emergence of many voices -- in government and outside, / in the proliferation of political parties, / here in Moscow, and across the vast reaches of this great land, in every Republic.

The forces of reaction and resistance still retain great power. But each day brings new alliances -- a new manifesto for change -- a new call to action. Some ask: amid this shifting

scene, what is our policy toward all these groups, who and what do we support? My answer is clear: **America stands with the forces of freedom and reform -- wherever they are found.**

My country stands ready to assist in this new Soviet revolution. In the economic sphere, the transformation must come from within. A shortage of foreign capital is not what plunged your economy into crisis -- nor can your economic ills be cured by an infusion of cash. Only through real reform can the Soviet Union abolish the counter-productive command economy -- only through real reform can the Soviet Union unleash the ingenuity, the energy and the entrepreneurial instincts of its people. //

As market reform moves forward, the U.S. stands ready to support your efforts. Right now, the next step is to devise a reform strategy with the IMF and World Bank -- a strategy that wins the support of the international financial and business community. It should be a program that **sets out priorities** -- one that makes **maximum use of your great natural wealth**, but even more, it must be a plan that **unlocks the great human potential of the Soviet people**. Progress rests on the pace of your reforms -- on the speed with which you move from a system based on command and control to one based on supply and demand. As in Eastern Europe, our assistance will keep pace with your reform. //

But our new partnership must go far beyond the halls of government in Washington and Moscow. It must bring together the businessman from the American Midwest and his partner in the Ukraine. It must bridge the thousands of miles between small

town America and Soviet cities. It means expanded exchanges of scientists and scholars, artists and engineers. And from the great cities of Moscow and Kiev, from the plains of Central Asia and the villages of Siberia to the port of Vladivostok and all points in between -- it means students coming to study in American schools and live with American families. It means thousands more American students coming to the Soviet Union, to explore your past and experience first-hand the future you are working to create. //

For four long decades, cooperation of this kind was a casualty of the Cold War. / Let this Moscow Summit mark an end to the long era of mistrust, and a new beginning for our two nations: an era of progress toward a new world of peace, and partnership. //

Once again, thank you for your warm welcome -- and may God bless the people of the Soviet Union.

# # #

# WHITE HOUSE STAFFING MEMORANDUM

DATE: 07/26/91

9:00 a.m. Monday 7/29  
ACTION/CONCURRENCE/COMMENT DUE BY: \_\_\_\_\_

SUBJECT: PRESIDENTIAL REMARKS: INSTITUTE FOR INTERNATIONAL RELATIONS  
(07/26 5:45 p.m. draft)

	ACTION FYI			ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	SMITH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SNOW	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	BOSKIN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

**REMARKS:**

Please provide any comments directly to Tony Snow no later than 9:00 a.m. on Monday, 07/29, with a copy to this office. Thanks.

**RESPONSE:**

OK  
DS

**PHILLIP D. BRADY**  
Assistant to the President  
and Staff Secretary  
Ext. 2702

# WHITE HOUSE STAFFING MEMORANDUM

DATE: 07/26/91

ACTION/CONCURRENCE/COMMENT DUE BY: 9:00 a.m. Monday 7/29

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BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	SMITH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please provide any comments directly to Tony Snow no later than 9:00 a.m. on Monday, 07/29, with a copy to this office. Thanks.

RESPONSE: ~~No comment.~~ Comments are attached.

Thanks,

*Elizabeth Luttig*  
Elizabeth Luttig

**PHILLIP D. BRADY**  
Assistant to the President  
and Staff Secretary  
Ext. 2702

91 JUL 26 PM 5:43

McGroarty/Dooley  
July 26, 1991  
5:45 pm  
[MOSCOW]

PRESIDENTIAL REMARKS: INSTITUTE FOR INTERNATIONAL RELATIONS  
MOSCOW, U.S.S.R.  
JULY 30, 1991  
3:00 P.M.

[Introductory acknowledgements.]

It is a privilege to meet with you at this critical moment in the history of your nation -- at this time of great hope for all the world. //

For four long decades, our two nations stood locked in conflict, as the Cold War cast its shadow across an armed and uneasy peace. This Summit marks a new beginning: the prospect that we can put an end to a long era as adversaries, write a new chapter in the history of our two nations -- forge a new partnership and a sturdy peace. //

We have reason to hope. One by one, the cruel realities of the Cold War flicker and fade -- and a new world of opportunities calls us forward. In Europe -- for four long decades the fault-line of East-West conflict -- the nations of the East, like their neighbors in the West, find a common home in democracy. Far beyond the confines of this continent -- from Afghanistan to the horn of Africa, from Angola to Central America -- regional conflicts no longer threaten to become flashpoints for superpower confrontation. Worldwide, the risk of global war stands lower now than at any point in the post-war era. //

2

The challenge we face at this summit -- the challenge you face as present and future leaders of this great nation -- lies in this: together, our two nations must overcome a half-century of mistrust to seize this moment and build a lasting peace. //

Already, we've made progress. The easing of tensions between our nations has created new opportunities for arms control. Last fall, in Paris, we agreed on deep reductions in conventional forces stationed in Europe. Tomorrow, in the Kremlin, President Gorbachev and I will sign the historic START Treaty that will cut our strategic arsenals by a full one-third.

//

Lower tensions have also made it possible for our two nations to normalize economic relations. / In May, the Supreme Soviet removed the key impediment to increased trade: Soviet restrictions on free emigration. The new Soviet emigration law stands as a major step forward -- a victory for all who value human rights. // As a consequence of this progress, I am pleased to announce that when I return to Washington, I will submit to Congress the U.S.-Soviet Trade Agreement we signed one year ago. In addition, I will urge the Congress to remove restrictions that impede trade -- and grant the Soviet Union Most Favored Nation status. //

Beyond two-way trade, the U.S. is working to open doors to Soviet entry into the global economy. // For more than forty years, the Soviet Union stood apart from the world market -- stood aside as free market forces sparked an era of unprecedented

3

prosperity across the West. / The results of this self-imposed isolation from the world economy proved disastrous. At this month's London Summit, President Gorbachev spoke of the Soviet Union's interest in becoming fully integrated into the world economy. //

The Soviet Union should become a full partner. That's why the U.S. supports observer status in the GATT -- and, when it has completed the necessary reforms, full membership. That's why I proposed last December that the USSR should enter a "special association" with the IMF and the World Bank -- and why I pushed that proposal with my summit partners in London. These measures will make available to the Soviet Union assistance and expertise that can ease the difficult transition to a market economy. //

But the crowning proof that we are overcoming the old Cold War animosities remains our cooperation in the Persian Gulf. In the depths of the Cold War era, Iraq's aggression against its tiny neighbor might well have brought our two nations -- and even the entire world -- to the brink of conflict. If Saddam Hussein thought he could exploit our differences to his own advantage -- he was dead wrong. At every key point in the crisis, the U.S. and USSR worked together to send a strong and steady signal to Saddam that his aggression would not stand. //

Today, our cooperation in the Gulf holds out hope that we can work together towards a just and lasting peace in the Middle East. [[MIDDLE EAST INITIATIVE UPDATE??]] //

4

In every aspect of our relations -- military, political, economic -- we see positive signs of a new partnership. / But for all the progress we've made, obstacles remain. Our ability to overcome them will be a key test of the strength of our new relationship. //

In many cases, we face conflicts and quarrels rooted in the world war fought fifty years ago, frozen in place by the long Cold War that followed: Disputes like the one that stands between the Soviets and Japan on the return of the Northern Territories. But surely, none looms larger today than the sad half-century of suffering in the Baltic nations of Estonia, Latvia and Lithuania.

For fifty years, the Baltic peoples refused to accept their fate or surrender their quest for freedom. For fifty years, their pleas fell on deaf ears. Today, hope in the Baltics rests with a new generation of Soviet leaders -- a generation that has fearlessly thrown open once-forbidden doors, and shined a bright light into some of the darkest corners of the Stalin era. Let this new generation be the one to free the Baltics. //

I call on both parties -- the central government and the Baltic leaders -- to resume negotiations in good faith. No one can ignore the complexities involved in negotiating a new relationship -- or the yearnings of a people to be free. Above all, we seek a clear and unqualified commitment to peaceful change. We must not see the positive progress we have made these

5

past two years threatened and thrown in doubt by further violence in the Baltics. //

A second obstacle lies close to home for the U.S. -- ninety miles off the Florida coast, in Cuba. In Europe, the Cold War may be over, but the news hasn't yet reached the Caribbean. Despite the fact that Soviet aid keeps Castro afloat, Cuba's leader has nothing but contempt for glasnost and perestroika. // Castro stands isolated and alone -- a lone dictator out of step with the democratic tide sweeping his hemisphere. I call on the Soviet leadership to reconsider whether such costly support for the Castro regime serves their aims and interests. //

Finally, I call on the Soviet leadership to make further cuts in Soviet military spending. In spite of the strains on the Soviet economy, military spending continues to consume 15 to 17% of Soviet GDP. While the Soviet consumer confronts long lines and empty shelves, the Soviet military-industrial complex continues to crank out 1300 tanks a year, 4000 armored vehicles, and a new ICBM every three days. // Military spending of this magnitude weighs down the Soviet economy -- and threatens international security. Now that the Cold War is over, the time has come to put the Soviet economy on a peace-time footing. //

But the key challenge -- the single most important factor in forging a new partnership between our nations -- remains the outcome of the experiment now reshaping Soviet society. The future of U.S.-Soviet relations is tied to the future of Soviet reform. //

6

No visitor to this country can fail to see the signs of change. Three times in three years as Vice President, I came to Moscow. That third visit, I met with a new leader, Mikhail Gorbachev -- the man who put these monumental changes in motion.

//

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In its place we see unmistakable signs of the new Soviet Union. Dissidents who once languished in internal exile now serve as Deputies in the People's Congress. Samizdat has given way to streetcorner critics. / A new Soviet Revolution has begun: a revolution marked by the emergence of many voices -- in government and outside, / in the proliferation of political parties, / here in Moscow, and across the vast reaches of this great land, in every Republic.

The forces of reaction and resistance still retain great power. But each day brings new alliances -- a new manifesto for change -- a new call to action. Some ask: amid this shifting scene, what is our policy toward all these groups, who and what do we support? My answer is clear and simple: America stands with the forces of freedom and reform -- wherever they are found.

My country stands ready to assist in this new Soviet revolution. In the economic sphere, the transformation must come from within. A shortage of foreign capital is not what caused

# Institute for International Relations

7

the collapse of the Soviet economy -- nor can your economic ills be cured by an infusion of cash. // Only through real reform can the Soviet Union abolish the counter-productive command economy -- only through real reform can the Soviet Union unleash the ingenuity, the energy and the entrepreneurial instincts of its people. //

America stands ready to help -- ready to provide expertise and advice that can advance real reform. To this end, I will ask Congress for \$20 million dollars to form a Technical Assistance Fund, to encourage economic reform at the federal level and in the republics. // We will also seek the support of our partners in the G-7 for the creation of an Enterprise Fund -- a pool of capital to fuel the dreams of emerging Soviet entrepreneurs. //

Per BOSKIN  
[As market reform moves forward, our assistance can take new forms.] [Together with our friends in the European Community, the U.S. will explore the possibilities of creating a Stabilization Fund to ease the transition from a system based on command and control to one based on supply and demand. // ]

But our new partnership must go far beyond the halls of government in Washington and Moscow. It must bring together the businessman from the American Midwest and his partner in the Ukraine. It must bridge the thousands of miles between small town America and Soviet cities. It means expanded exchanges of scientists and scholars, artists and engineers. And from the great cities of Moscow and Petersburg, from the plains of Central Asia and the villages of Siberia to the port of Vladivostok and

all points in between -- it means students coming to study in American schools and live with American families. It means thousands more American students coming to the Soviet Union, to explore your past and experience first-hand the future you are working to create. //

*See  
insm  
attached*

~~In that same spirit, I am pleased to announce today that in [month], we will send a Peace Corps mission to the USSR -- volunteers specializing in agriculture and environment -- to live and work in this country, to contribute to the transformation taking place here. //~~

[[CONCL>>>> Let Moscow mark a new beginning for our two nations....]]

Once again, thank you for your warm welcome -- and may God bless the people of the Soviet Union.

# # #

insert on page 8

1st full paragraph should read as follows:

In that same spirit, I am pleased to announce today that a Peace Corps team will be immediately dispatched to the Soviet Union to determine how that organization's technical support can collaborate on ~~our~~ agriculture and environmental issues.

Note: Director Cotterdell believes that the language suggested above would be better for relations between the U.S. and the Soviet Union because the Soviets are very sensitive at any suggestion that they are a 3rd world country.

Shanks, Oca

THE WHITE HOUSE

WASHINGTON

91 JUL 29

PR: 31  
July 29, 1991

MEMORANDUM FOR TONY SNOW

FROM: STEPHEN G. RADEMAKER *SR*  
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Presidential Remarks: Institute for International Relations

Pursuant to Phillip Brady's request, Counsel's Office has reviewed the above-referenced matter. We have no objection to the draft presidential remarks.

cc: Phillip D. Brady

THE WHITE HOUSE

WASHINGTON

91 JUL 29 12:35  
July 29, 1991

MEMORANDUM FOR TONY SNOW

FROM: ROGER B. PORTER *RBP*  
SUBJECT: Presidential Remarks: Institute for  
International Relations

As requested, we have reviewed and concur with the attached draft Presidential remarks to the Institute for International Relations.

Recommendation

That you sign the attached memorandum to Tony Snow.

Attachment

c: Phillip D. Brady

# WHITE HOUSE STAFFING MEMORANDUM

DATE: 07/26/91

ACTION/CONCURRENCE/COMMENT DUE BY: 9:00 a.m. Monday 7/29

SUBJECT: PRESIDENTIAL REMARKS: INSTITUTE FOR INTERNATIONAL RELATIONS  
(07/26 5:45 p.m. draft)

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	SMITH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SNOW	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	BOSKIN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

**REMARKS:**

Please provide any comments directly to Tony Snow no later than 9:00 a.m. on Monday, 07/29, with a copy to this office. Thanks.

**RESPONSE:**

**PHILLIP D. BRADY**  
 Assistant to the President  
 and Staff Secretary  
 Ext. 2702

91 JUL 26 PM 5:43

McGroarty/Dooley  
July 26, 1991  
5:45 pm  
[MOSCOW]

PRESIDENTIAL REMARKS: INSTITUTE FOR INTERNATIONAL RELATIONS  
MOSCOW, U.S.S.R.  
JULY 30, 1991  
3:00 P.M.

[Introductory acknowledgements.]

It is a privilege to meet with you at this critical moment in the history of your nation -- at this time of great hope for all the world. //

For four long decades, our two nations stood locked in conflict, as the Cold War cast its shadow across an armed and uneasy peace. This Summit marks a new beginning: the prospect that we can put an end to a long era as adversaries, write a new chapter in the history of our two nations -- forge a new partnership and a sturdy peace. //

We have reason to hope. One by one, the cruel realities of the Cold War flicker and fade -- and a new world of opportunities calls us forward. In Europe -- for four long decades the fault-line of East-West conflict -- the nations of the East, like their neighbors in the West, find a common home in democracy. Far beyond the confines of this continent -- from Afghanistan to the horn of Africa, from Angola to Central America -- regional conflicts no longer threaten to become flashpoints for superpower confrontation. Worldwide, the risk of global war stands lower now than at any point in the post-war era. //

The challenge we face at this summit -- the challenge you face as present and future leaders of this great nation -- lies in this: together, our two nations must overcome a half-century of mistrust to seize this moment and build a lasting peace. //

Already, we've made progress. The easing of tensions between our nations has created new opportunities for **arms control**. Last fall, in Paris, we agreed on deep reductions in **conventional forces** stationed in Europe. Tomorrow, in the Kremlin, President Gorbachev and I will sign the historic **START Treaty** that will cut our strategic arsenals by a full one-third. //

Lower tensions have also made it possible for our two nations to **normalize economic relations**. / In May, the Supreme Soviet removed the key impediment to increased trade: Soviet restrictions on free emigration. The new Soviet emigration law stands as a major step forward -- **a victory for all who value human rights**. // As a consequence of this progress, I am pleased to announce that when I return to Washington, I will submit to Congress the **U.S.-Soviet Trade Agreement** we signed one year ago. In addition, I will urge the Congress to **remove restrictions that impede trade** -- and grant the Soviet Union **Most Favored Nation status**. //

Beyond two-way trade, the U.S. is working to open doors to Soviet entry into the global economy. // For more than forty years, the Soviet Union stood apart from the world market -- stood aside as free market forces sparked an **era of unprecedented**

**prosperity across the West.** / The results of this self-imposed isolation from the world economy proved disastrous. At this month's London Summit, President Gorbachev spoke of the Soviet Union's interest in becoming **fully integrated into the world economy.** //

The Soviet Union **should** become a full partner. That's why the U.S. supports observer status in the GATT -- and, when it has completed the necessary reforms, full membership. That's why I proposed last December that the USSR should enter a "special association" with the IMF and the World Bank -- and why I pushed that proposal with my summit partners in London. These measures will make available to the Soviet Union assistance and expertise that can ease the difficult transition to a market economy. //

But the crowning proof that we are overcoming the old Cold War animosities remains our cooperation in the Persian Gulf. In the depths of the Cold War era, Iraq's aggression against its tiny neighbor might well have brought our two nations -- and even the entire world -- to the brink of conflict. If Saddam Hussein thought he could exploit our differences to his own advantage -- he was dead wrong. At every key point in the crisis, the U.S. and USSR worked together to send a strong and steady signal to Saddam that his aggression would not stand. //

Today, our cooperation in the Gulf holds out hope that we can work together towards a just and lasting peace in the Middle East. [[MIDDLE EAST INITIATIVE UPDATE??]] //

In every aspect of our relations -- military, political, economic -- we see positive signs of a new partnership. / But for all the progress we've made, obstacles remain. Our ability to overcome them will be a key test of the strength of our new relationship. //

In many cases, we face conflicts and quarrels rooted in the world war fought fifty years ago, frozen in place by the long Cold War that followed: Disputes like the one that stands between the Soviets and Japan on the return of the Northern Territories. But surely, none looms larger today than the sad half-century of suffering in **the Baltic nations of Estonia, Latvia and Lithuania.**

For fifty years, the Baltic peoples refused to accept their fate or surrender their quest for freedom. For fifty years, their pleas fell on deaf ears. Today, hope in the Baltics rests with a new generation of Soviet leaders -- a generation that has fearlessly thrown open once-forbidden doors, and shined a bright light into some of the darkest corners of the Stalin era. Let this new generation be the one to free the Baltics. //

I call on both parties -- the central government and the Baltic leaders -- to resume negotiations in good faith. No one can ignore the complexities involved in negotiating a new relationship -- or the yearnings of a people to be free. Above all, we seek a clear and unqualified commitment to peaceful change. We must not see the positive progress we have made these

past two years threatened and thrown in doubt by further violence in the Baltics. //

A second obstacle lies close to home for the U.S. -- ninety miles off the Florida coast, in Cuba. In Europe, the Cold War may be over, but the news hasn't yet reached the Caribbean. Despite the fact that Soviet aid keeps Castro afloat, Cuba's leader has nothing but contempt for glasnost and perestroika. // Castro stands isolated and alone -- a lone dictator out of step with the democratic tide sweeping his hemisphere. I call on the Soviet leadership to reconsider whether such costly support for the Castro regime serves their aims and interests. //

Finally, I call on the Soviet leadership to make further cuts in Soviet military spending. In spite of the strains on the Soviet economy, military spending continues to consume 15 to 17% of Soviet GDP. While the Soviet consumer confronts long lines and empty shelves, the Soviet military-industrial complex continues to crank out 1300 tanks a year, 4000 armored vehicles, and a new ICBM every three days. // Military spending of this magnitude weighs down the Soviet economy -- and threatens international security. Now that the Cold War is over, the time has come to put the Soviet economy on a peace-time footing. //

But the key challenge -- the single most important factor in forging a new partnership between our nations -- remains the outcome of the experiment now reshaping Soviet society. The future of U.S.-Soviet relations is tied to the future of Soviet reform. //

No visitor to this country can fail to see the signs of change. Three times in three years as Vice President, I came to Moscow. That third visit, I met with a new leader, Mikhail Gorbachev -- the man who put these monumental changes in motion.

//

Consider the Soviet Union we see today. Gone are the days when a small cadre hidden behind the high Kremlin walls worked the levers of power. Gone is the rubber-stamp legislature -- the one-party monopoly, enforcing one point of view. //

In its place we see unmistakable signs of the new Soviet Union. Dissidents who once languished in internal exile now serve as Deputies in the People's Congress. Samizdat has given way to streetcorner critics. / **A new Soviet Revolution has begun:** a revolution marked by the emergence of **many voices** -- in government and outside, / in the proliferation of political parties, / **here in Moscow**, and across the vast reaches of this great land, **in every Republic.**

The forces of **reaction and resistance** still retain great power. But each day brings **new alliances** -- a **new manifesto** for change -- a **new call to action**. Some ask: amid this shifting scene, what is our policy toward all these groups, who and what do we support? My answer is clear and simple: **America stands with the forces of freedom and reform** -- wherever they are found.

My country stands ready to assist in this new Soviet revolution. In the economic sphere, the **transformation must come from within**. A shortage of foreign capital is not what caused

the collapse of the Soviet economy -- nor can your economic ills be cured by an infusion of cash. // Only through real reform can the Soviet Union abolish the counter-productive command economy -- only through real reform can the Soviet Union unleash the ingenuity, the energy and the entrepreneurial instincts of its people. //

America stands ready to help -- ready to provide expertise and advice that can advance real reform. To this end, I will ask Congress for \$20 million dollars to form a Technical Assistance Fund, to encourage economic reform at the federal level and in the republics. // We will also seek the support of our partners in the G-7 for the creation of an Enterprise Fund -- a pool of capital to fuel the dreams of emerging Soviet entrepreneurs. //

As market reform moves forward, our assistance can take new forms. Together with our friends in the European Community, the U.S. will explore the possibilities of creating a Stabilization Fund to ease the transition from a system based on command and control to one based on supply and demand. ///

But our new partnership must go far beyond the halls of government in Washington and Moscow. It must bring together the businessman from the American Midwest and his partner in the Ukraine. It must bridge the thousands of miles between small town America and Soviet cities. It means expanded exchanges of scientists and scholars, artists and engineers. And from the great cities of Moscow and Petersburg, from the plains of Central Asia and the villages of Siberia to the port of Vladivostok and

all points in between -- it means students coming to study in American schools and live with American families. It means thousands more American students coming to the Soviet Union, to explore your past and experience first-hand the future you are working to create. //

In that same spirit, I am pleased to announce today that in [month], we will send a Peace Corps mission to the USSR -- volunteers specializing in agriculture and environment -- to live and work in this country, to contribute to the transformation taking place here. //

[[CONCL>>>> Let Moscow mark a new beginning for our two nations....]]

Once again, thank you for your warm welcome -- and may God bless the people of the Soviet Union.

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